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Attorneys for Receiver
**ROBB EVANS OF ROBB EVANS & ASSOCIATES
LLC**

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

JEREMY JOHNSON, etc., et al.,

Defendants.

Case No. 2:10-CV-02203-RLH-GWF

**ORDER GRANTING
MOTION FOR ORDER: (1) APPROVING
AND CONFIRMING SALE OF REAL
PROPERTY LOCATED AT 127
HOLLISTER AVENUE, SANTA
MONICA, CALIFORNIA AND
FURNISHINGS BY PRIVATE SALE
FREE AND CLEAR OF THE LIEN OF
TRIPLE SEVEN LLC, FORMERLY
TRIPLE SEVEN, L.P. WITH SUCH LIEN
TO ATTACH TO THE PROCEEDS OF
SALE, (2) APPROVING PUBLICATION
AND OVERBID PROCEDURES; (3) FOR
RELATED RELIEF IN CONNECTION
WITH SUCH PROPOSED SALE; AND
(4) GRANTING RELIEF FROM LOCAL
RULE 66-5 PERTAINING TO NOTICE
TO CREDITORS**

Date: January 26, 2012
Time: 10:00 am
Place: Courtroom 6C

1 The Motion for Order: (1) Approving and Confirming Sale of Real Property Located at
 2 127 Hollister Avenue, Santa Monica, California and Furnishings By Private Sale Free and Clear
 3 of The Lien of Triple Seven LLC, Formerly Triple Seven, L.P. With Such Lien to Attach to the
 4 Proceeds of Sale, (2) Approving Publication and Overbid Procedures; (3) For Related Relief in
 5 Connection with Such Proposed Sale; and (4) Granting Relief from Local Rule 66-5 Pertaining to
 6 Notice to Creditors (Doc. No. 411) (“Motion”) filed by Robb Evans of Robb Evans & Associates
 7 LLC (“Receiver”), the Receiver pursuant to the Court’s Preliminary Injunction Order issued
 8 February 10, 2011, came on for hearing at the above referenced date, time and place before the
 9 Honorable Roger L. Hunt, United States District Judge presiding. Gary Owen Caris of McKenna
 10 Long & Aldridge LLP appeared on behalf of the Receiver, defendant Jeremy Johnson appeared
 11 *pro se*, and other appearances, if any, were made as noted in the record at the hearing. The Court,
 12 having reviewed and considered the Motion, Defendant Jeremy Johnson’s Opposition to the
 13 Motion (Doc. No. 425) and the Receiver’s Reply to Jeremy Johnson’s Opposition (Doc. No. 435),
 14 and having heard and considered the arguments of counsel and the parties at the hearing on the
 15 Motion, and good cause appearing therefor,

16 IT IS ORDERED that:

17 1. The Motion and all relief requested therein is granted;

18 2. Without limiting the generality of the foregoing:

19 A. The Receiver is authorized to sell the real property located at 127 Hollister
 20 Avenue, Santa Monica, California and legally described as Lot 14 in Block 1 of Wadsworth and
 21 Hollister Tract, in the City of Santa Monica, County of Los Angeles, State of California, as per
 22 map recorded in Book 2, Page(s) 9 and 10 of Maps, in the Office of the County Recorder of Said
 23 County, APN 4289-023-022 (“Hollister Property”) by private sale on an “as is” basis more fully
 24 described in the sale contract documents to Stephen Gunther or his nominee (“Proposed Buyer”),
 25 an arm’s length buyer, at a purchase price of \$3,200,000 pursuant to the California Residential
 26 Purchase Agreement and Joint Escrow Instructions dated November 9, 2009, including the
 27 Additional Terms and As-Is Purchase addendum, Counter Offer No. One dated November 15,
 28 2011, Contingency Removal and related sale contract documents attached collectively as Exhibit

1 to the Declaration of Kenton Johnson in support of the Motion (collectively “Proposed Purchase Agreement”), or to such higher qualified overbidder who hereafter submits the highest qualified overbid at a subsequent overbid session to be conducted pursuant to the following terms and conditions (“Overbid Procedures”) which Overbid Procedures are hereby approved:

(1) The overbid session shall be conducted within 20 days of the date of entry of this Order. The overbid session will be conducted at the offices of Prudential California Realty located at 3130 Wilshire Boulevard, Suite 100, Santa Monica, CA 90403;

(2) The Receiver shall cause to be published a notice of the proposed sale of the Hollister Property to a qualified bidder at the overbid session to be conducted under paragraph 2.A.(1) above, which notice shall state the date, time and place of the overbid session, the requirement for pre-qualification by overbidders and the terms and conditions of the overbidding and sale of the property, as described below (“Overbid Notice”). The Receiver will cause the Overbid Notice to be published in the Santa Monica Daily Press two times prior to the scheduled overbid session, at least one time on a weekend preceding the overbid session date, and in the Metropolitan News at least two times prior to the scheduled overbid session, and with the first publication date to be at least 10 days prior to the scheduled overbid session date.

(3) Any person wishing to overbid at the overbid session shall be required to pre-qualify with the Receiver no later than 10:00 a.m. the business day preceding the overbid session by delivering to the Receiver’s office located at 11450 Sheldon Street, Sun Valley, California 91352: (a) notice in writing of the prospective overbidder’s intent to overbid together with (b) written verification from a financial institution demonstrating to the Receiver’s satisfaction, in the Receiver’s sole opinion and judgment, the prospective overbidder’s ability to complete and close a purchase of the Hollister Property through sufficient funds or credit facilities within 20 days of the date of the overbid session, and (c) a cashier’s check in the sum of \$100,000 payable to I Works Inc. Receivership QSF, which cashier’s check shall become non-refundable upon acceptance of the overbidder’s overbid at the conclusion of the overbid session.

(4) Overbidders bidding at the overbid session will be deemed to have completed all inspections of the Hollister Property and will be deemed to have waived and/or

1 removed all contingencies in favor of the buyer under the Proposed Purchase Agreement,
2 including without limitation any contingency pertaining to inspection of title, and will be required
3 to complete a cash purchase of the Hollister Property and close escrow for the purchase of the
4 Hollister Property within 20 days of the date of the overbid session. The successful overbidder is
5 required to execute a purchase agreement for the Hollister Property substantially in the form of
6 the Proposed Purchase Agreement together with a waiver of all buyer contingencies promptly
7 after conclusion of the overbid session.

8 (5) The initial overbid shall be in the amount of \$3,300,000.00 (an amount that
9 is \$100,000 higher than the purchase price under the Proposed Purchase Agreement), and all
10 subsequent overbids shall be in an amount at least \$50,000 higher than the preceding bid.

11 (6) Pursuant to the Proposed Purchase Agreement and the Receiver's listing
12 agreement with his Broker, a sales commission in the fixed amount of 6% of the purchase price
13 paid for the Hollister Property by the Proposed Buyer, or if a higher overbid is received and
14 accepted at the overbid session, by the winning overbidder, shall be paid from the proceeds of
15 sale of the Hollister Property at close of escrow and shall be paid to the Broker as listing agent
16 under the Exclusive Listing Agreement, or if the buyer at the overbid session is represented by a
17 cooperating broker, shall be divided and paid equally to the Broker as the listing agent and the
18 buyer's cooperating broker, under the terms of the Exclusive Listing Agreement.

19 G. The sale of the Hollister Property by private sale to the Proposed Buyer under the
20 Proposed Purchase Agreement, or to the person who submits the highest qualified overbid at the
21 overbid session to be conducted pursuant to the foregoing procedures, is hereby approved and
22 confirmed pursuant to this Order without further notice, hearing or order;

23 H. The Receiver is authorized to sell to the Proposed Buyer all right, title and interest
24 of the receivership estate in and to the furniture and furnishings located at the Hollister Property
25 ("Hollister Personal Property") "as is, where is, with all faults," and without representations or
26 warranties of any kind or nature for the cash sum of \$15,000 payable at close of escrow and
27 contingent upon the Proposed Buyer being the successful purchaser of the Hollister Property at
28 the conclusion of the overbid session, or to such successful overbidder at the overbid session if

1 the overbidder elects to buy the Hollister Personal Property on the same terms and conditions set
2 forth above, and if the Proposed Buyer or the successful overbidder purchases the Hollister
3 Personal Property in connection with the purchase of the Hollister Property as provided in this
4 Order, then the sale of the Hollister Personal Property is hereby approved and confirmed without
5 further notice, hearing or order;

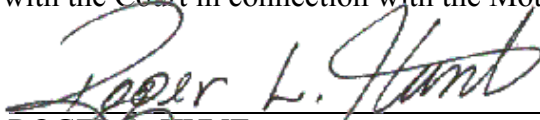
6 I. The Receiver is authorized to execute all documents and instruments necessary or
7 convenient to complete, implement, effectuate and close the sale of the Hollister Property to the
8 purchaser, including but not limited to the deed conveying title to the Hollister Property, and to
9 sell the Hollister Personal Property as provided in this Order;

10 J. In connection with the sale of the Hollister Property, the Receiver is authorized to
11 permit and/or cause to be paid from the proceeds of sale all ordinary and customary closing costs,
12 all costs and expenses required to be paid under the terms of the Proposed Purchase Agreement
13 by the seller from the proceeds of sale, all commissions provided for in the Proposed Purchase
14 Agreement and the Receiver's Exclusive Listing Agreement for the property attached as Exhibit 2
15 to the Declaration of Kenton Johnson filed in support of the Motion, all real property tax liens and
16 prorated real property taxes due up to the date of closing, and the balance due under the first deed
17 of trust in favor of Paspal LLC without default interest or late charges so long as the sale closes
18 within the Marketing Period defined in and pursuant to the terms and provisions of the Receiver's
19 Stipulation for (a) Payment of Post-Receivership Debt Service on 127 Hollister Avenue, Santa
20 Monica, California, and (b) Relief from Stay After Marketing Period ("Paspal Stipulation")
21 approved by the Court by order entered September 23, 2011;

22 K. The Receiver is authorized to sell the Hollister Property free and clear of the
23 disputed lien of Triple Seven LLC, formerly Triple Seven L.P. ("Triple Seven"), with such lien to
24 attach to the proceeds of sale in the same amount, and with the same validity, extent and priority
25 as said lien had against the Hollister Property, and subject to further order of the Court
26 determining the amount, validity, extent and priority of such lien; and
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1 L. Notice of the Motion is hereby determined to be sufficient under Local Civil Rule
2 66-5 under the circumstances based on the service of the Motion and the Notice of Filing as
3 reflected in the certificates of service on file with the Court in connection with the Motion.

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5 Dated: January 27, 2012



6 ROGER L. HUNT
7 United States District Judge
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CERTIFICATE OF SERVICE

I am a citizen of the United States and employed in Los Angeles County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 300 South Grand Avenue, 14th Floor, Los Angeles, CA 90071.

On January 26, 2012, I served the **[PROPOSED] ORDER GRANTING MOTION FOR ORDER: (1) APPROVING AND CONFIRMING SALE OF REAL PROPERTY LOCATED AT 127 HOLLISTER AVENUE, SANTA MONICA, CALIFORNIA AND FURNISHINGS BY PRIVATE SALE FREE AND CLEAR OF THE LIEN OF TRIPLE SEVEN LLC, FORMERLY TRIPLE SEVEN, L.P. WITH SUCH LIEN TO ATTACH TO THE PROCEEDS OF SALE, (2) APPROVING PUBLICATION AND OVERBID PROCEDURES; (3) FOR RELATED RELIEF IN CONNECTION WITH SUCH PROPOSED SALE; AND (4) GRANTING RELIEF FROM LOCAL RULE 66-5 PERTAINING TO NOTICE TO CREDITORS** upon the parties and/or counsel listed and by the methods indicated on the attached Service List.

I declare upon the penalty of perjury that the foregoing is true and correct, and that I am employed in the office of a member of the bar of this Court at whose direction the service was made. Executed on January 26, 2012 at Los Angeles, California.

/s/ Joy Ryan
Joy Ryan

SERVICE LIST

The following CM/ECF participants were served by electronic means on January 26, 2012:

Alan D Boyack	alandboyack@yahoo.com
Edward D. Boyack	sherri@edblaw.net
Joseph R. Brooke	jbrooke@ftc.gov
Gary Owen Caris	gcaris@mckennalong.com; pcoates@mckennalong.com
Teresa Chen	tchen@ftc.gov
Brett D. Ekins	bekins@joneswaldo.com; lcheney@joneswaldo.com
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Jared Green	jared.green@mccormickbarstow.com, tammy.deja@mccormickbarstow.com
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 8 mary.booker@usdoj.gov
 9

10 The following non-CM/ECF participant was served by first-class mail, postage prepaid on
 11 January 26, 2012:
 12

13 Sharla Johnson
 14 529 Woods View Circle
 St. George, UT 84770

Jeremy Johnson
 529 Woods View Circle
 St. George, UT 84770

15 Ryan Riddle
 16 446 East 1410 South
 Washington, UT 84780

Andy Johnson
 3641 Vista View Circle
 Santa Clara, UT 84765

17 Loyd Johnston
 18 2988 Kings Court Lane
 Washington, UT 84780

Scott Muir
 618 Draper Heights Way
 Draper, UT 84020

19 Kevin Pilon
 20 1975 East 1060 North
 St. George, UT 84770

Bryce Payne
 2399 East Bella Rosa Circle
 St. George, UT 84780

21 CPA Upsell, Inc.
 22 529 South Woods View Circle
 St. George, UT 84770

Cloud Nine Marketing, Inc.
 529 South Woods View Circle
 St. George, UT 84770

23 Elite Debit, Inc.
 24 529 South Woods View Circle
 St. George, UT 84770

I Works, Inc.
 529 South Woods View Circle
 St. George, UT 84770

25 Internet Economy, Inc.
 26 529 South Woods View Circle
 St. George, UT 84770

Market Funding Solutions, Inc.
 529 South Woods View Circle
 St. George, UT 84770

27 Success Marketing, Inc.
 28 529 South Woods View Circle
 St. George, UT 84770

Kerry Johnson
 2489 Riverfront Drive
 Santa Clara, UT 84765

<p>1 James C. Gilson, Esq. 2 Callister Nebeker & McCollough APC 3 10 East South Temple, Suite 900 4 Salt Lake City, UT 84133</p> <p>5 Richard Ormond, Esq. 6 Buchalter Nemer 7 1000 Wilshire Boulevard, Suite 1500 8 Los Angeles, CA 90017-2457</p> <p>9 Jason Vowell 10 573 South WoodsView Circle 11 St. George, UT 84770</p> <p>12 California Franchise Tax Board 13 Special Procedures – BE Bankruptcy 14 MSA-345 15 P.O. Box 2952 16 Sacramento, CA 95812-2952</p> <p>17 Internal Revenue Service 18 Ogden, UT 84201-0039</p> <p>19 Montana Department of Revenue 20 P.O. Box 8021 21 Helena, MT 59604</p> <p>22 Oklahoma Tax Commission 23 2501 North Lincoln Boulevard 24 Oklahoma City, OK 73194</p> <p>25 State of Arizona – Department of Revenue 26 P.O. Box 29009 27 Phoenix, AZ 85038</p> <p>28 Utah State Tax Commission 87 North 200 East, Suite 201 St. George, UT 84770</p> <p>Utah State Tax Commission 210 North 1950 West Salt Lake City, UT 84134</p> <p>Internal Revenue Service Attn: J. Daugherty MS/5028LVG 110 North City Parkway Las Vegas, NV 89106</p>	<p>Roger A. Browning, Esq. Glassman, Browning, Saltsman & Jacobs, Inc. 360 North Bedford Drive, Suite 204 Beverly Hills, CA 90210</p> <p>Zachary Wiseman, Esq. Ray Quinney & Nebeker 36 South State Street, Suite 1400 Salt Lake City, UT 84111</p> <p>David Willcox, Revenue Officer Nevada Department of Taxation Attn: Bankruptcy Section 555 E Washington Ave #1300 Las Vegas, NV 89101</p> <p>Idaho State Tax Commission P.O. Box 36 Boise, ID 83722-0410</p> <p>Massachusetts Department of Revenue P.O. Box 7000 Boston, MA 2204</p> <p>Nevada Department of Taxation 1550 College Parkway Carson City, NV 89706</p> <p>Sevier County Treasurer 250 North main Street Richfield, UT 84701</p> <p>State of Arkansas – Corporate Income Tax Section P.O. Box 919 Little Rock, AR 72203</p> <p>Utah State Tax Commission 100 South 5300 West Hurricane, UT 84737</p> <p>Washington County Assessor 87 North 200 East, Suite 201 St. George, UT 84770</p> <p>Los Angeles County Tax Collector 225 North Hill Street, Room 122 Los Angeles, CA 90012</p>
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Arkansas Secretary of State
State Capitol
Room 256
Little Rock, AR 72201

California Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814

State of California Board of Equalization
450 N Street, MIC 55
Sacramento, CA 95814

State of California Employment Development
Department
Attn: John Arnold
7677 Oakport Street, Suite 4
Oakland, CA 94621

State of Delaware Division of Corporation
P.O. Box 898
Dover, DE 19903

Utah Department of Workforce Services
P.O. Box 45249
Salt Lake City, UT 84145-0249

City of St. George Utilities
P.O. Box 1750
St. George, UT 84771-1750

Employment Development Department
P.O. Box 82614
MIC 3A
Sacramento, CA 94280-0001

New York State Department of Labor
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W.A. Harriman Campus
Albany, NY 12240

New York State Division of Corporations
99 Washington Avenue, 6th Floor
Albany, NY 12231

The following non-CM/ECF participants was served by electronic mail on January 26, 2012:

Jeremy Johnson – documentcollection02203@gmail.com

Sharla Johnson – jsajohnson@mac.com

Kevin Pilon – krpilon.legal@gmail.com